

01485

1992/01/02

ACTION

DEPARTMENT OF STATE
ARA/NEA REARCS

PMNVC - Procurement (42)

PAGE 01 ISLAMA 88022 020745Z
ACTION: PK (01)

021802 S005211

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INFO: NEA (02) RA (01) MIL (01) SC (01) IN (02)
07/1217Z #3 HS (TOTAL COPIES: 008)
ACTION NEA-00

END COMMENT.
PLATT

INFO LOG-00 ACDA-13 AMAD-01 CEA-01 CEQ-01 CIAE-00 COME-00
C-01 DDOE-00 DOEE-00 DPR-01 EAP-00 EB-00 EUR-00
E-01 H-01 INRE-00 INR-01 IO-19 L-00 ADS-00
NRC-02 NSAE-00 NSCE-00 OES-00 OIC-02 PA-01 PH-00
PRS-01 SNP-00 SP-00 SS-00 STR-20 TRSE-00 T-01
EPAE-00 /007V

-----022257 020815Z /23

P 020743Z JAN 92
FM AMEMBASSY ISLAMABAD
TO SECSTATE WASHDC PRIORITY 2813
INFO AMCONSUL LAHORE
AMCONSUL KARACHI
AMCONSUL PESHAWAR
AMEMBASSY NEW DELHI
AMEMBASSY BEIJING
AMEMBASSY LONDON
USIA WASHDC 4854

CONFIDENTIAL ISLAMABAD 88022

LONDON FOR POL JOHNSON

USIA FOR NEA RUCH

E.O. 12356: DECL: OADR
TAGS: NMUC, PREL, KNHP, CH, PK
SUBJECT: GOP SIGNS AGREEMENT TO BUY PRC NUCLEAR PLANT
REF: 91 ISLAMABAD 19576

1. (U) ALL THE MAJOR ENGLISH AND URDU DAILIES GAVE FRONT-PAGE COVERAGE ON JANUARY 1 TO THE GOP ANNOUNCEMENT THAT IT HAD SIGNED AN AGREEMENT WITH CHINA TO PURCHASE A 100-MEGAWATT NUCLEAR POWER PLANT (RETEL). ACCORDING TO THE PRESS REPORTS, PAK ATOMIC ENERGY CHAIRMAN ISHFAQ AHMAD SIGNED THE AGREEMENT IN BEIJING ON DEC 31. PRIME MINISTER NAWAZ SHARIF PUBLICLY WELCOMED THE ANNOUNCEMENT, NOTING THAT THE PLANT WILL BE PLACED UNDER IAEA SAFEGUARDS. HE WENT ON TO PRAISE THE AGREEMENT AS UNDERLINING "THE STRONG TIES AND CLOSE FRIENDSHIP BETWEEN PAKISTAN AND CHINA."

2. (U) SEVERAL OF THE NEWS STORIES INCLUDED COMMENT THAT THE CHINESE HAD AGREED TO SELL THE POWER PLANT DESPITE "PRESSURE" FROM THE U.S. NOT TO DO SO. SEVERAL ALSO STATED THAT THE NUCLEAR PLANT DEAL WITH CHINA HAD PROVEN THAT THE PAK-CHINESE RELATIONSHIP IS NOT IN DECLINE AS SOME OBSERVERS HAD SPECULATED FOLLOWING PREMIER LI PENG'S RECENT VISIT TO NEW DELHI.

3. (C) COMMENT: THE JANUARY 1 PRESS REPORTS CONFIRMED THE STORY THAT HAD BEEN RUN BY THE FRONTIER POST ON DEC 28 (RETEL). WHILE THE PRESS NOTED THAT THE CHINESE HAD AGREED TO PROVIDE THE PAKS WITH AN UNSPECIFIED AMOUNT OF ASSISTANCE TO FINANCE THE REPORTED USD 500 MILLION FOREIGN EXCHANGE COMPONENT OF THE SALE, IT REMAINS UNCLEAR WHAT IMPACT THE

SIX-YEAR-LONG CONSTRUCTION OF THE PLANT WILL HAVE.

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